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## FACT SHEET ON GREAT PLAINS CREDIT PROGRAM

Purpose: Under the Great Plains credit program, assistance is provided eligible farmers and ranchers in designated areas, to enable them to make adjustments in their farming operations when necessary for proper land use and to meet essential operating expenses.

Loan Policies: Borrowers will be expected to carry out farming practices that are consistent with good land use for the area. A land capability map will be prepared by the Soil Conservation Service for the farm or ranch to be operated with the proceeds of the loan. This map will be considered along with other factors, such as the past production record of the farm, the applicant's ability and experience, and other related information, in determining whether a loan will be made. Loans will be made only when it is determined, in each individual case, that there is a sound basis for credit and that it can be expected that the loan will be repaid.

When needed adjustments in farming practices are to be made, a detailed farm and home plan will be prepared and management guidance will be provided by the county supervisors of the Farmers Home Administration to the extent needed.

Who May Borrow: A loan may be made to a farm owner or a farm operator if the applicant:

1. ... is an established operator and is primarily engaged in farming or livestock operations;
2. ... is unable to obtain the necessary credit elsewhere;
3. ... will have reasonable prospects of success with the assistance of the loan;
4. ... will own or have available under satisfactory tenure arrangements a farm suitable for carrying on successful farming operations.

Great Plains emergency loans will be made only when the applicants' needs cannot be met under the regular loan programs of the Farmers Home Administration. All credit supplied by the Farmers Home Administration is used only to supplement credit available from private and cooperative lenders.

Uses of Loan Funds: Loans are made for the purchase of seed, feed, fertilizer, livestock, farm equipment and to meet other essential farm and home operating expenses, including where necessary the payment of interest and taxes on real and personal property or reasonable amounts to cover depreciation on machinery and equipment under lien to other creditors. Loans made to applicants who plan substantial adjustments in



their operations may include funds to finance the reseeding of grasslands, fencing, brush removal and other basic land and soil improvements to control erosion and promote better land use practices, for the development of domestic and irrigation water systems, repair of existing farm buildings, and when necessary for the purchase of additional land needed to provide an economic family-type unit. In these cases advances also may be made when necessary to bring the applicant's real estate debt current, or to refinance debts secured by liens on chattel property.

Loan Terms: Loans are scheduled for repayment over the minimum period of time consistent with the borrowers' ability to repay. Ordinarily these loans are scheduled for repayment in 1 to 7 years, depending on purposes for which loans are made. However, loans to repair or improve real estate may be scheduled over longer periods, usually not to exceed 20 years. Amounts advanced for annual operating expenses are repayable when the income that is derived from the sale of the crops or livestock produced with the loans is received.

Each loan will be secured in a manner that will adequately protect the interest of the Government. In no event will the amount advanced, exclusive of funds for annual recurring expenses, exceed the applicant's equity in the real estate and chattels offered as security.

Voluntary Debt Adjustment: Assistance is available through the county committee of the Farmers Home Administration to both creditors and debtors in effecting voluntary adjustments of existing debts, when necessary, in order that the debt load on the farmer or rancher may be held or adjusted to an amount within his ability to repay.

Where to Apply: Applications for loans may be made at county offices of the Farmers Home Administration.



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